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SUBJECT: FROM ETHNIC CLEANSING TO JOB CREATION: WEST
KALIMANTAN ON THE ROAD TO RECOVERY

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Classified By: Classified By: Political Officer Eric W. Kneedler, reason 1.4(d).

SUMMARY

¶1. (C) Nearly five years after the most recent escalation in hostilities between the Dayak and Madurese communities in West Kalimantan, the province's key political operators believe tensions have abated and that the situation has finally stabilized. While relations between the Dayaks and Madurese are still strained at best, leaders from the province's major political parties are confident the infrastructure for a long-term peace is in place, and guardedly optimistic the province's diverse ethnic communities can work together to address West Kalimantan's considerable list of challenges. No longer consumed with maintaining a tenuous peace between warring ethnic groups, the province's leadership has instead turned its attention to the more mundane day-to-day realities of political life: governing and maintaining power. With signs that the November 2007 gubernatorial race is already well underway, the overall mood in the province is upbeat and energetic.
End Summary.

GOOD FENCES MAKE GOOD NEIGHBORS

¶2. (U) Communal violence between the indigenous Dayak people and Madurese (migrants from the island of Madura off the coast of eastern Java) resulted in hundreds of deaths, and according to NGOs, the displacement of at least 35,000 people during the period between 1996 and 2001. Nearly five years after the most recent flare up in violence, the atmosphere in West Kalimantan has improved considerably, thanks in no small measure to the government's campaign to resettle large segments of the Madurese community to relocation sites throughout the country. With the two ethnic groups no longer co-located in some of the traditional hotspots, there appears to be an air of optimism in the province.

¶3. (C) During a recent visit to the West Kalimantan capital of Pontianak, elected officials in the DPRD and Governor's office assured us the province had come to terms with its recent violent past and established mechanisms to secure a continued peace. In a meeting with the Vice Governor of West Kalimantan, L.H. Kadir, he argued West Kalimantan had made tremendous progress in addressing the tensions between the

two communities, and pointed to the five years without hostilities as manifest evidence of the government's success in handling the issue. DPRD Speaker Zulfadhil was no less triumphant, telling us during a meeting with DPRD faction leaders that while the process of full recovery would be long and arduous, political leaders had put this particular chapter in the province's history behind them. Zulfadhil also praised the role of NGOs in helping to build the framework for peace, pointing to conferences, workshops and fora on conflict resolution as central to the province's ability to deal with the ethnic tensions.

DECENTRALIZATION'S MIXED BLESSINGS

¶4. (C) Kadir and Zulfadhil sounded similar notes of concern in discussing the challenges of managing a province in the post-decentralization era. On one hand they both praised the concept of decentralization and agreed that in a country as far flung and unwieldy as Indonesia, the provinces should not be compelled to clear each action through Jakarta. On the other hand, they both took issue with the unceremonious way with which the central government left West Kalimantan to its own devices overnight, with no support, resources, or preparation to speak of. Both Kadir and Zulfadhil said they felt the province's leaders were working well across party and ethnic lines to support common goals, but they both expressed a level of frustration with the central government's hands off approach.

¶5. (C) Kadir pointed to economic development, poverty reduction, and education as the province's three primary areas of focus. He said the central government provided virtually no assistance whatsoever to supplement the province's efforts in those crucial areas, and argued that the central government should and could be doing more. Kadir also told us the central government had basically ignored its

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theoretical responsibility to police West Kalimantan's vast border with Malaysia, leaving it incumbent upon provincial authorities to try and tackle the illegal transnational trade taking place across the border.

¶6. (C) During a meeting with DPRD leaders from West Kalimantan's four biggest parties, Speaker Zulfadhil from Golkar, Moses Alex from the Indonesian Democratic Party - Struggle (PDI-P), Henry Usman from the Democratic Party (PD), and Amadi Usman from the United Development Party (PPP) listed the DPRD's top priorities as attracting investment, developing West Kalimantan's infrastructure, and strengthening the province's school system. The DPRD leaders told us West Kalimantan's biggest obstacle to attracting investment was a lingering sense of concern about the province's security situation. Though the members professed that such fears were no longer legitimate, they said West Kalimantan would continue to struggle developmentally until it sheds its violent, unstable reputation.

¶7. (U) Hasan Subhi, coordinator of West Kalimantan-based NGO Yayasan Madanika, told us West Kalimantan's economic and developmental challenges mirrored those of other, less affluent Indonesian provinces. According to Subhi, the success or failure of West Kalimantan's districts often depended upon the presence of natural resources. As an example, Subhi noted that the West Kalimantan district of Sanggau was often cited as a model district in post-decentralized Indonesia; Subhi attributed this directly to the fact that Sanggau was unusually well endowed with natural resources and had been able to generate significant revenue streams by capitalizing on this. According to Subhi, other less fortunate districts struggled by comparison, and were a much more representative sample of the province's overall ability to manage its own affairs in the post-decentralization era.

CORRUPTION - YOU WOULDN'T UNDERSTAND

¶8. (C) In our meeting with Kadir and his rather extensive entourage, we asked about the pervasiveness of corruption in West Kalimantan and the province's strategy for combating it.

After briefly and unenthusiastically warning us about the perils of corruption and speaking of the need for strong leadership on the issue, Kadir quickly shifted course. Lecturing us about the cultural origins of corruption in Indonesia in general, and West Kalimantan in particular, Kadir claimed corruption was so deeply ingrained in the basic fabric of society that dealing with it would take generations. Kadir made the standard argument that politicians in West Kalimantan could not possibly retain office unless they maintained an elaborate patronage dispensing system for their constituents. When we noted that a deeply rooted system of corruption with tacit government support would likely scare away potential investors, Kadir preached patience and understanding on the part of governments and investors from countries with different "values."

GOVERNOR'S RACE BEGINS TO TAKE SHAPE

¶9. (C) During our visit to West Kalimantan, we saw ample evidence of a robust, energetic gubernatorial campaign already underway. Despite the fact the province's first direct gubernatorial election will not take place until sometime in November of 2007, campaign posters already lined the streets of Pontianak, the newspapers were filled with reports of campaign related activities, and the leading candidates themselves were already in full campaign mode.

¶10. (C) According to DPRD leaders, NGO representatives, the Pontianak Post's daily polls, and our own informal sampling of the West Kalimantan electorate, there appear to be three primary contenders for the Governor's office: sitting Governor Usman Ja'far, a Muslim, ethnic Malay member of PPP; DPRD Speaker Zulfadhil, a Muslim, ethnic Malay member of Golkar; and DPR legislator Akil Mochtar, a Christian, ethnic Dayak also from Golkar. Most objective observers of the race view Governor Ja'far as the likely favorite, with Mochtar a close second and Zulfadhil a not so distant third.

SUMMARY

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¶11. (C) Ethnic tensions between the Dayak and Madurese communities appear to have finally leveled off, allowing the West Kalimantan government to focus its energy on other pressing issues. Despite little help from the central government and serious questions about rapidly dwindling natural resources, environmental degradation, rampant corruption, and the province's infrastructure and schools, West Kalimantan's political leaders remain optimistic. The province is on course to hold its first ever direct gubernatorial elections next November, and the simple fact that candidates are running on the basis of economic proposals and not ethnic affiliations is an obvious measure of progress.

PASCOE